

November 29, 2011

Mr. John Jenks
Utah Division of Air Quality
150 North 1950 West
P.O. Box 144820
Salt Lake City, Utah 84114-4820

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DEPARTMENT OF
ENVIRONMENTAL QUALITY

HAND DELIVERED



Tesoro Refining and Marketing Company
474 West 900 North
Salt Lake City, UT 84103-1494
801 521 4810

**Re: Tesoro Refining and Marketing Company - Salt Lake City Refinery
Utah Waxy Crude Project Notice of Intent – Project Scope Change Description**

Dear Mr. Jenks:

On September 19, 2011, the Tesoro Refining and Marketing Company (Tesoro) submitted a Notice of Intent (NOI) application to the Utah Division of Air Quality (UDAQ) for the “Black Wax Processing Project” at the Salt Lake City Refinery. As discussed during our conference call on November 9, 2011, certain aspects of the project scope have now changed and Tesoro will be submitting an addendum to the NOI application, with updated emission calculations, in December 2011. While the scope of the project has changed, Tesoro does not expect the updated scope and emission calculations will change the overall applicability determination for the project (i.e., federal PSD and NSPS will continue to not be applicable). In order to allow you to continue with the processing of the NOI application, Tesoro is providing a summary below of the new project scope.

The project scope as described in the September 19, 2011 NOI application involved changes to three major refinery components as follows:

- 1. Crude Receiving and Processing**
- 2. Fluidized Catalytic Cracking Unit (FCCU)**
- 3. Distillate Desulfurization Unit (DDU)**

The updated project scope will continue to involve these three major refinery components; however, certain specifics will change. In addition, new refinery units that will require physical changes are being added to the project scope. The changes to the project scope are outlined as follows:

1. Crude Receiving and Processing

The scope of work will remain the same as described in the September 19, 2011 NOI application, with the exception of the following:

- An additional “Yellow Wax” crude tank will be added in order for the refinery to handle both Yellow Wax and Black Wax crude. An additional charge pump(s) will be added to transfer this crude to the Crude Unit.

- Additional transfer piping will be added at the truck unloading rack to accommodate the transfer of Yellow Wax into the new tank

2. Fluidized Catalytic Cracking Unit (FCCU)

The scope of work associated with the FCCU riser will remain the same as described in the September 19, 2011 NOI application. However, the VRU upgrade portion of the FCCU work has changed as follows:

- The wet gas compressor is expected to now be replaced with a motor driven compressor.
- The existing absorber will be replaced with a higher pressure absorber / stripper for increased rate and improved recovery of Liquefied Petroleum Gas (LPG) from the refinery fuel gas.
- The debutanizer will be replaced and will be reconfigured for liquid from the absorber/stripper.
- The existing depropanizer will be upgraded and will separate propylene/propane from the mixed butanes.
- The existing pre fractionation column will be upgraded and reconfigured to separate the debutanizer bottoms into light and heavy cat naphtha.
- The existing absorber, lean oil tower, debutanizer and alky deethanizer will be idled.

3. Distillate Desulfurization Unit (DDU)

This scope of work will remain the same as described in the September 19, 2011 NOI application.

4. Alkylation Unit (Alky)

The previous project scope did not require changes to the alkylation unit. The alkylation unit will now be modified with upgrades of various pumps and exchangers to accommodate an increased production rate.

5. Liquefied Petroleum Gas (LPG) Loading and Unloading

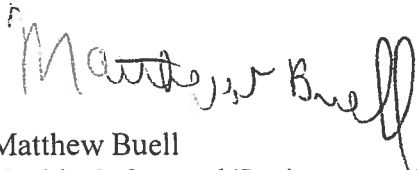
The previous project scope did not require changes to the LPG loading facilities. The LPG loading facilities will be upgraded with additional storage and rail loading facilities and isobutane/normal butane rail unloading facilities.

The updated scope of the project will also continue to impact various non-modified emission units within the refinery; however, the list of impacted units is not expected to significantly change. This list of non-modified units impacted by the project is provided in Section 2.3 and

Table 3-2 of the September 19, 2011 NOI application. Any update to this list will be provided in the NOI application addendum, along with update emission calculations.

Please call me at (801) 521-4966 or Michelle Bujdoso at (801) 366-2036 if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Matthew Buell". The signature is written in a cursive style with a large, stylized "M" and "B".

Matthew Buell
Health, Safety and Environmental Manager